

January – February
2002



WASHINGTON STATE
GAMBLING COMMISSION

Focus n Gambling

Welcome to Commissioner Niemi

On February 5, 2002, Governor Locke appointed Janice Niemi to the Gambling Commission. She will complete the unexpired portion of former Commissioner Marshall Forrest's term, and then start her full six-year term, which will end June 30, 2008.



Commissioner Niemi's career before retirement was varied and includes:

- Service in the Federal Government as a Foreign Service Staffer and Deputy General Counsel of the Small Business Administration;
- Elected to the Washington State Legislature as a House member from 1983 to 1987 and Senator from 1987 to 1994;
- Various positions as a District Court Judge from 1971 to 1973, judge pro tem and Superior Court Judge from 1973 to 1978, and 1995 to 2000 when she retired.

Commissioner Niemi began her duties at the February 2002 Commission meeting. She looks forward to the Gambling Commission as another new and interesting assignment.

Mission Statement

Protect the public by ensuring that gambling is legal and honest.

Commissioners:

George Orr, Chair
Curtis Ludwig, Vice Chair
Liz McLaughlin
Alan Parker
Judge Janice Niemi (Ret.)

Ex-Officio Members:

Senator Margarita Prentice
Senator Shirley Winsley
Representative Alex Wood
Representative Jim Clements

Inside this Issue:

- 2** 2002 Legislative Session
- 5** A Letter to Cardroom Operators
- 6** Reporting Loans
- 7** Financial Reporting Services Reports
- 8** Administrative Case Update
- 10** Rule Changes
- 12** Upcoming Commission Meetings

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Executive Asst. Shirley Corbett

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Policy & Government Affairs:

Deputy Director Ed Fleisher

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Business Office:

Bob Sherwood

Communications & Legal

Department and Financial

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Amy Patjens

Electronic Gambling Laboratory:

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Information Services:

Tom Means

Operations:

Deputy Director Bob Berg

Field Operations:

Assistant Director Cally Cass-Healy

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Gary Drumheller

Northwest Region:

Greg Thomas

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Julie Lies

Licensing Operations:

Assistant Director Derry Fries

Program Managers:

Licensing Services:

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Financial Investigations Unit:

Monty Harmon

Intelligence Unit:

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2002 Legislative Session

The Legislature is tackling several bills related to gambling this session. Many of our licensees are closely watching bills that directly affect them or which have been introduced by interest groups representing their particular gambling activity.

The Gambling Commission has submitted two bills as agency request legislation which are still active as of March 5, 2002.

SB 6491

Gambling Commission and Liquor Control Board-Joint Agency Request Legislation

Subject: Meeting New Federal Requirements for Criminal Background Checks

Summary:

Both the Washington State Gambling Commission and the Liquor Control Board currently run criminal history background checks on gambling and liquor license applicants. The agencies are requesting changes to current law to comply with federal requirements for criminal history background checks from the Federal Bureau of Investigations (FBI). The FBI recently completed a review of all Washington state statutes and is requiring that they specifically reference national checks in order to properly authorize the use of FBI records for screening liquor and gambling license applicants. The agencies have been given a grace period until May 1, 2002, to bring their statutes into compliance with federal law. After that, without legislation, they will no longer be able to obtain this information.

It's important to note that this proposed legislation does not impose any additional requirements on liquor or gambling license applicants (the provisions are currently in regulations, and the FBI requires that this language be placed in statute). **Passing this bill will simply allow the agencies to continue to get the same information they have in the past to make licensing decisions.**

SB 5064

Subject: Amend RCW 9.46.196 - Cheating

Summary:

Cheating is currently defined in RCW 9.46.196 as a gross misdemeanor, regardless of the number of people involved in the scam or the dollar loss. In performing our regulatory and enforcement duties we periodically find cases of individuals attempting to cheat while engaged in gambling activities.

(Continued on page 3)



(Continued from page 2)

We also sometimes come upon more elaborate and sometimes protracted schemes to cheat involving numerous individuals (patrons and employees). The time and effort to investigate these incidents, coupled with the importance of maintaining integrity in the gambling, is marginalized when the penalty for such activity is at the gross misdemeanor level.

Although theft charges can be pursued, long term, low level cheating activity makes documenting and proving the dollar thresholds within a given span of time difficult. Estimated losses to house-banked card rooms and tribal casinos, due to cheating, have ranged from several hundred or thousand dollars to almost \$900,000 in a case that involved 12 suspects.

The proposed bill provides for two degrees of cheating, based on whether it was a conspiracy or cheating by a licensee, instead of the dollars lost. The amended bill that passed through the Senate and out of the House committee would increase the fine for gross misdemeanor cheating from \$5,000 to \$20,000. Cheating that involves a conspiracy (2 or more people involved in the scheme) would be a Class C felony instead of a Class B felony.

In addition to these two agency-request bills, the following bills have been introduced on behalf of other constituencies. Here is a summary of those bills:

HB 2918 – Allow Operation of Bingo For 7 days; Impose Moratorium

This bill would allow charities to operate bingo seven days per week (presently the limit is three days per week.) Also requires that the Gambling Commission not issue new bingo licenses for five years (July 1, 2007). Requires any bingo hall operating more than three days a week to include a warning about the hazard of pathological gambling in any advertising or promotions for their games.

HB 2817 - Clarifying local government land use and zoning powers over gambling activities

The bill would allow cities and counties to zone for gambling. Authorization to do so has been unclear.

SHB 2767 – Electronic Benefit Cards

Prohibits the use of Electronic Benefit (welfare) Cards to participate in activities licensed by the Gambling, Horse Racing or Lottery Commissions.

Bills that provide for significant state revenue.

Many of these bills are still in their original committee; however, they are exempt from cutoffs as they would be considered necessary to implement the budget.

SHB 2624/SSB 6560 – Authorizing shared lottery games

Allows the state lottery to participate in multi-state lottery games, also known as “The Big Game”. Estimated to have a net revenue increase of \$25M in FY03 and \$63M next biennium. It also establishes a program for pathological gambling in the Department of Social and Health Services. Treatment would be offered to those persons identified with pathological gambling, amenable to treatment, but unable to afford it.

SB 6561 – Gambling Excise Tax

This Governor’s request bill that would impose a 10% state tax on the gross receipts from punchboards and pull-tabs and a 10% state tax on the net win from social card games. It reduces the maximum local tax on social card games from 20% to 15% while grandfathering in existing local taxes. It establishes a wagering limit of \$300 for house banked card games. The estimated revenue from this bill is \$71M for FY 03 and \$150M for the 03-05 biennium.

SB 6193 - Consistency in Gaming

This bill, promoted by the Recreational Gaming Association (house-banked card room industry), generally provides for a “leveling of the playing field”. It would allow commercial and charitable operators to conduct most or all of the games currently conducted by the Tribes, including Electronic Pull-Tabs which are similar to the Tribal Lottery System machines. The bill also removes the limitation that commercial licensees be “primarily engaged” in the sale of food and drink and the “commercial stimulant” requirement.

The bill limits local taxes on punchboards, pull-tabs and social card games to 10% of net win. It authorizes a local tax on electronic pull-tabs at 5% of net win and a state tax at 10% of net win.

SB 6193 limits the number of machines to no more than 200 per licensee, with no limit on the number of locations.

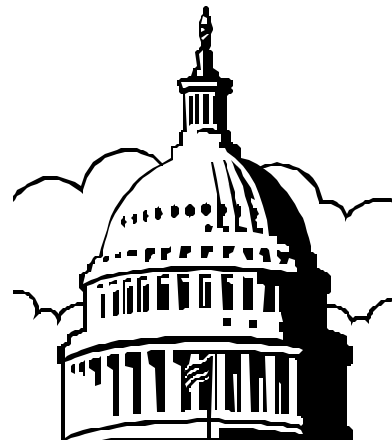
The effect on revenue and agency staffing would be considerable.

HB 2900 – Consistency in Gaming

This bill is similar to SB 6193 (previous page). This bill would allow only commercial operators who meet certain criteria to operate electronic pull-tabs. HB 2900 limits the machine locations to 200 house banked card rooms with 5 or more Phase II tables and limits the number of machines to 200 per licensee with the ability to have up to 500 machines by purchasing rights from other licensees. (This is similar to provisions in the tribal/state contracts, which allow Tribes to lease machines from other Tribes with a total cap of 1,500 machines.) The bill also removes the “commercial stimulant” requirements for the commercial operators.

The bill limits local taxes on punchboards, pull-tabs and social card games to 10% of net win. They authorize a local tax on electronic pull-tabs at 5% of net win and a state tax at 10% of net win.

The fiscal note from the Gambling Commission to the Legislature estimated the impact on the Commission to be a total of 2,951 new licensees (including House-Banked card room, electronic pull-tab, and card room employee licenses). This increase in workload will require the Commission to increase staffing levels by 16.8 FTEs (full-time employees) in FY 2003, and an additional 27.7 FTEs in the 2003-05 biennium.



HB 2946 – Video Lottery Games

Authorizes the State Lottery to conduct video lottery games. Up to 10 Video lottery terminals may be placed at any location licensed by the Liquor Board. Up to 100 terminals may be placed at house banked card rooms. There may be no more than 5000 machines statewide.

HB 2953 – Video Pull Tabs

This bill authorizes both commercial and nonprofit licensees to operate video pull-tabs. These devices are similar to the Tribal Lottery System machines; however, they must also meet the requirements for standard pull-tabs such as having a flare to mark off prizes. Each licensee is allowed a maximum of 25 video pull-tab terminals and a minimum of 5 terminals. Local taxes on punchboards, pull-tabs and video pull-tabs are limited to 10% of net receipts. A state tax of 5% of gross receipts is imposed on video pull-tabs.

Proposed bills that died:

HB 2774 – Creating a Washington State Gaming Commission

Transfers the functions of the Lottery and Horse Racing Commission to the Gambling Commission.

HB 2631 – Joint Request Legislation for Criminal Background Checks

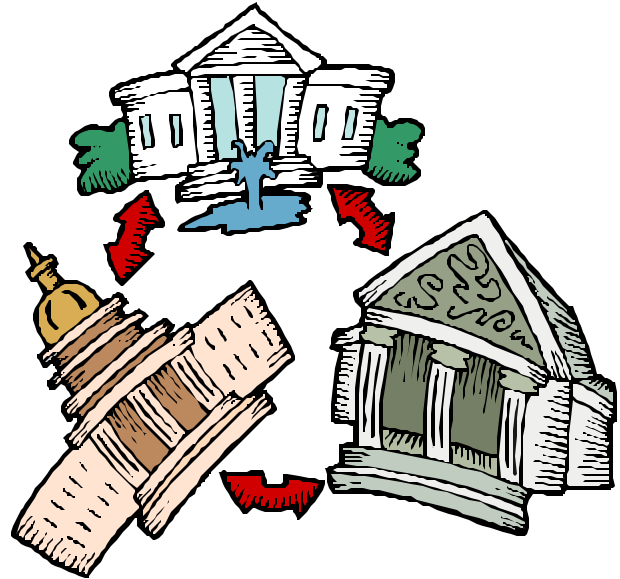
This was a companion bill to SB 6491. The House version died, but as of the date this newsletter was sent to the printer, the Senate version was still alive.



HB 2701/SB 6520 – Pathological Gambling

Would have established a program for treatment of pathological gambling in DSHS. Appropriates \$2M to DSHS for the program and \$1M to the Gambling Commission for problem gambling prevention.

We will continue to follow any gambling bills in future newsletters as appropriate. If you wish to view the progress of bills during the session, you can visit www.leg.wa.gov on the Internet. If you wish to share your thoughts on any pending legislation, you should contact your state senator or representative.



A LETTER TO CARDROOM OPERATORS

Neal Nunamaker, Agent in Charge
Licensing Operations Division

Our Legal Department has processed many cases based on criminal history information disclosures. Following is a letter recently sent to all card room operators in an effort to help them comply with the requirements. We are reprinting the letter here as a reminder to all our licensees who require an individual gambling license for any workers, staff or executive board officers.

Dear Card Room Operator:

Your most important responsibility is making decisions about hiring card room employees to work in your business. Laws and rules clearly state it is your job to ensure that potential employees who may not qualify for licensing are prevented from working in your gambling business prior to being licensed by the Gambling Commission.

As owner/officer of a licensed establishment, it is your responsibility to review an applicant's *Criminal History Statement* for adverse information that could preclude them from being issued a gambling license in Washington State. *RCW 9.46.075, 9.46.158, and WAC 230-04-400* should be your guide in determining whether you allow a card room employee to work prior to receiving a license from the Commission.

Here are examples of disqualifying criminal history information that would prevent an applicant from working prior to licensing:

- A felony conviction
- A gambling related conviction
- Current, active court supervision (probation, deferral)
- Current or pending prosecution for a crime
- Probation violations
- Outstanding arrest warrants
- Extensive criminal history or pattern of criminal or traffic violations
- Previous revocation or denial of license application by the Gambling commission or other regulatory agency.

(Continued on page 6)

(Continued from page 5)

RCW 9.46.158 imparts that an operator shall not knowingly permit an applicant or licensee with criminal history to work in the management or operation of any gambling activity regulated by the commission without prior approval. *Failure to meet this obligation could result in suspension or revocation of **your** gambling license(s).* Compliance with these rules will help you avoid unnecessary delays and expense in hiring individuals that do not meet licensing requirements.

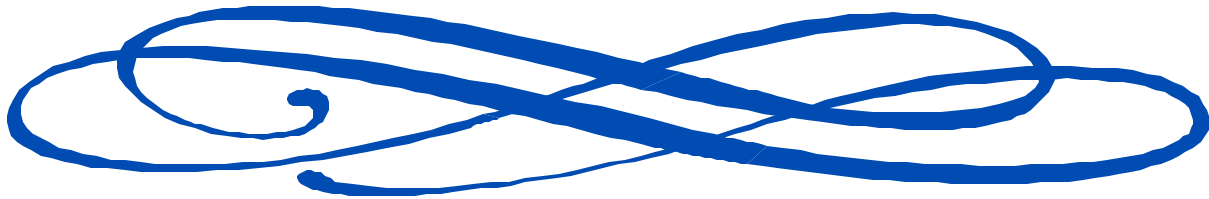
The Commission is aware there are instances when an applicant does not fully disclose their criminal history to you on the criminal history statement. Although the card room operator would not be in violation in this instance, failure of an applicant to disclose criminal history is also sufficient grounds for denial of their card room employee license. This further complicates your hiring process.

Please take a close look at the information submitted by applicants on their criminal history statement, and take time to discuss it with them. Discussion should include the applicant's complete disclosure of all charges regardless of how serious any charge was, when it occurred, or the final disposition (not guilty, deferred, dismissed, etc). We recommend prior to performing this review process with applicants that you become familiar with the licensing criteria contained in RCW 9.46.075 and WAC 230-04-400.

A good working awareness of the statutes and rules will assist you in making proper decisions on allowing card room employee applicants to work.

If you terminate a card room applicant before they receive a license, please notify Licensing Technician Supervisor Dawn Warren at (360) 486-3546 so we can focus our efforts on processing applicants you still want to hire.

If you have questions about your potential employee, please contact the Licensing Operations Division at (360) 486-3570.



Reporting Loans

It is an old and sometimes forgotten rule, but it is an important rule.

WAC 230-12-305(4) requires all applicants and licensees, except those with individual licenses (card room employees, etc.), to report and submit documents to the Commission for all new loans received from other than recognized financial institutions which individually or collectively exceed a total of \$2,000.00 during any calendar year. The new or updated documents shall be submitted to the Commission by notation on the next quarterly activity report filed, and by attaching all details concerning each transaction.

Licensees not required to submit quarterly activity reports shall submit the required information no later than 60 days following the transaction(s) date.

Include all supporting documents when reporting the loan, to include the amount, name of the person or institution who loaned you the money, date of the loan, and the terms of the loan.

Please keep in mind that loans received from owners, partners, members, or stockholders are not exempt from this rule and must be disclosed.

(Continued on page 7)

(Continued from page 6)

Here is a quiz to clarify when to report a loan to the Commission:



Are you required to report receiving:

1. \$8,500 from your brother?
2. \$2,500 from the Bank of North America?
3. \$10,000 from the Legal Financial Services Corp?
4. \$25,000 from Acme Bank of America?
5. \$5,000 from a stockholder?

Answers:

If you answered "yes" to 1, 3, and 5, and "no" to 2 and 4, then you are correct. Neither your brother, Legal Financial Services Corp., nor the stockholder qualifies as a recognized financial institution. For purposes of WAC 230-12-305(4), a financial institution is a federal or state chartered

lending institution that is federally insured and regulated and examined by a financial institution regulatory agency of the state or federal government.

Please do not hesitate to call the Financial Investigations Unit at (800) 345-2529 ext. 3559, if you have questions on when to report a loan.



Financial Reporting Services Reports

The following licensees failed to submit their quarterly reports when due. They have submitted their reports now and paid the appropriate fine based on the number of late reports in the preceding one-year period.

<u>LICENSEE/LOCATION</u>	<u>FINE</u>	<u>YR/QTR</u>
2 Louies Bar & Grill/Blaine	\$400	3/01
Legends Sports Bar & Grill/Tukwila	\$400	3/01
Surf House Tavern/Pacific Beach	\$400	3/01
Asia Gardens/Enumclaw	\$200	3/01
Garbe's/Chehalis	\$200	3/01
Home Plate Tavern/Auburn	\$200	3/01
Little Nickle's Pub & Grill/Spokane	\$200	3/01
Scrappers Sports Bar & Restaurant/Everett	\$200	3/01
Tucan's Restaurant & Lounge/Quincy	\$200	3/01

Following is the schedule of fines for reports submitted late. If no report is submitted, the licensee will be issued a statement of charges.

Schedule of Fines

First Offense.....	\$200
Second Offense	\$400
Third Offense	\$600
Fourth Offense	No Fine
A Statement of Charges is automatically issued.	

Washington State Gambling Commission

Administrative Case Updated

LICENSEE	VIOLATION	CASE OUTCOME
11 th Frame Restaurant & Lounge, Spokane	Allowing a Card Room Employee to work with an expired license.	Since this is the licensee's second violation in a twelve month period, it agreed to a 2 day suspension, vacated by payment of \$15,043, which represents its net win for 2 days. The licensee also agreed to reimburse the Commission for its investigative and administrative costs in the amount of \$840.
11 th Frame Restaurant & Lounge, Kenmore	Allowing a Card Room Employee to work with an expired license.	The licensee agreed to a 1 day suspension, which was vacated by a \$500 fine. The licensee also agreed to reimburse the Commission for its investigative and administrative costs in the amount of \$585.
Corner Tavern, Bow	Failure to produce punchboard / pull-tab records requested by Commission staff.	The licensee agreed to a 30 day suspension. 15 days were deferred for one year, 5 days were vacated by payment of \$49, which represents 5 days' net income, and 10 days were served from December 24, 2001, through January 4, 2002. The licensee also agreed to reimburse the Commission for its investigative and administrative costs of \$480.
John Kessler, (CRE, formerly employed at Silver Dollar Casinos, Tukwila and SeaTac)	Criminal history, and failure to fully disclose that history.	The licensee agreed to surrender his license, and not reapply until his current probation, which is scheduled to end in August 2002, is complete.
Donald Spier (CRE, formerly employed at Royal Club in Renton, and Silver Dollar Casino in SeaTac).	Criminal history, and failure to fully disclose that history.	The licensee agreed to surrender his license, and not reapply until his current probation, which is scheduled to end in November 2002, is complete.
Dalon Howard, (CRE, formerly employed at Silver Dollar Casino, SeaTac)	Criminal history, and failure to fully disclose that history.	The licensee agreed to surrender his license, and not reapply until his period of probation, which is scheduled to end in July 2002, is completed.
Douglas Wingert (CRE, formerly employed at Diamond Lil's and Freddie's Club, Renton)	Criminal history.	A statement of charges was issued for the denial of Mr. Wingert's license. The applicant failed to timely request a hearing; therefore, an Order of Default was entered by the Commissioners at the February Commission meeting, denying Mr. Wingert's application.
Phally Lay (CRE, formerly employed at Goldie's Shoreline in Shoreline, Funsters in SeaTac, and Café Arizona in Federal Way).	Cheating while playing blackjack at Wizard's Casino, and violating the terms of her conditional license.	A statement of charges for the revocation of Ms. Lay's license was issued. The licensee failed to timely request a hearing; therefore, an Order of Default was entered by the Commissioners at the February Commission meeting revoking her license.

LICENSEE	VIOLATION	CASE OUTCOME
Lawrence Ahern (Gambling Manager, formerly employed at Fraternal Order of Eagles #2739, Ritzville)	Failure to deposit \$5,000 in pull-tab receipts, failure deposit pull-tab receipts in a separate account, and failure to deposit pull-tab receipts within 2 days as required.	A statement of charges was issued for the revocation of Mr. Ahern's license. However, prior to hearing, his license expired and was not renewed. Therefore, the case was administratively closed.
Fraternal Order of Eagles #2739, Ritzville	Failure to implement an independent internal control system, which resulted in the theft of pull-tab receipts and missing pull tab records.	The licensee agreed to a 30 day suspension. 15 days were deferred for one year. The remaining 15 days were vacated by payment of a \$211 fine, which represents 15 days of the licensee's net gambling income. The licensee also agreed to reimburse the Commission for a portion of its investigative and administrative costs in the amount of \$2,289, and to pay the costs of a follow up investigation.
Artic Tavern, Artic	Failure to submit source of funds documentation, and owner's failure to disclose her criminal history.	A statement of charges for the denial of the application was issued. The applicant failed to submit a hearing request; therefore, an Order of Default was entered by the Commissioners at the February Commission meeting denying the application.
Chele's Polish Club Tavern, Aberdeen	The licensee's spouse did not qualify due to his criminal history.	A statement of charges was issued; however, prior to hearing, its license expired, and was not renewed. Therefore, the case was administratively closed.
Barb's Westgate Inn, Tacoma	Failure to record pull-tab receipts, and submitting inaccurate Quarterly Activity Reports.	The licensee agreed to a 30 day suspension. 15 days were deferred for one year. The remaining 15 days were vacated by payment of \$1,403, which represents the licensee's average daily gambling income for 15 days. The licensee also agreed to reimburse the Commission for its investigative and administrative costs of \$1,110, and submitted amended Quarterly Activity Reports for the five inaccurate quarters.
Flame Tavern, Snohomish	Operating for approximately 11 months with an expired license, and failure to submit Quarterly Activity Reports.	A statement of charges was issued, and a hearing set. However, following several continuances, the tavern's license expired and was not renewed. Therefore, the case was administratively closed.
JKF High School Booster Club, Seattle	Failure to implement adequate internal controls.	A statement of charges was issued; however, prior to hearing the licensee's license expired, and was not renewed. Therefore, the case was administratively closed.
Masterman Vending, Inc., Tacoma	Placing a Commercial Amusement Game in an unlicensed premises.	The licensee agreed to a 30 day suspension. 15 days were deferred for one year. The remaining 15 days were vacated by payment of \$1,631, which represents the net amount the licensee collected from the amusement game during the unlicensed period. The licensee also agreed to reimburse the Commission for its investigative and administrative costs in the amount of \$330.

LICENSEE	VIOLATION	CASE OUTCOME
Mr. Ed's Bingo and Casino Supply, Mukilteo	Selling gambling equipment to unlicensed operators.	The licensee agreed to a 45 day suspension. 15 days were deferred for one year. The remaining 30 days were vacated by payment of \$4,440, which represents a portion of the revenue received by the licensee for selling gambling equipment to unlicensed operators. The licensee also agreed to reimburse the Commission for its investigative and administrative costs in the amount of \$1,560.
Wizard's Restaurant, Burien	Failure to disclose \$250,000 in loans.	The licensee agreed to a 3 day suspension. One day of the suspension was deferred for one year. The remaining 2 days were vacated by payment of \$1,000. The licensee also agreed to reimburse the Commission for its investigative and administrative costs in the amount of \$5,700.



RULE CHANGES

THESE RULES WERE ADOPTED AT THE FEBRUARY COMMISSION MEETING, TO BECOME EFFECTIVE JULY 1, 2002.

BINGO

WAC 230-20-244 Electronic Bingo Card Daubers-Definition-Operating Restrictions-Standards

WAC 230-20-246 Manner of conducting bingo

WAC 230-20-249 Three number speed bingo - Operational procedures - Restrictions

The amendments: 1) clarify that bingo players may only use one electronic bingo card dauber at a time; 2) allow a bingo employee to verify the winning card, without verification by a neutral player. However, the employee must broadcast the winning card on a video screen for all players to view; 3) increase the maximum price to purchase a three number speed bingo card from \$2 to \$7; and 4) allow three number speed bingo games to accrue progressive jackpots.

PULL-TABS

WAC 230-30-033 Event pull-tab series - Definitions - Restrictions.

WAC 230-30-045 Pull-tab series with carry-over jackpots- Definitions - Requirements.

WAC 230-30-072 Punchboard and pull-tab inventory control - Retention requirements - Audit adjustments.

The amendments: 1) allow event pull-tab tickets to be sold by bingo floor workers (i.e. from aprons); 2) clarify how a carry-over jackpot will be handled in the event a licensee sells or closes their business; and 3) clarify that commercial pull-tab licensees must retain flares, for games with winners of more than \$20, for ninety-days.

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RULE UP FOR FINAL ACTION AT THE MARCH MEETING.

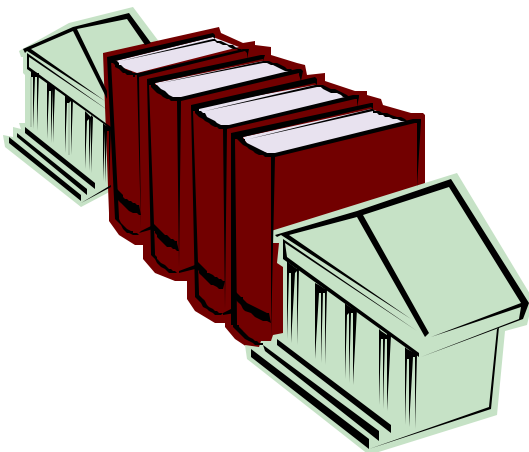
PETITION FOR RULE CHANGE - TEACHING THE PUBLIC HOW TO PLAY CRAPS.

WAC 230-02-205 Gambling service supplier defined.

Mr. Kirtland is owner of Player's Edge, a store that sells gambling related books, videos and accessories. Mr. Kirtland submitted a Petition for Rule Change requesting the definition of a gambling service supplier be amended so that he could provide educational seminars to the public on how to play craps. No gambling would be involved. Mr. Kirtland's Petition was filed at the November 2001, Commission meeting.

Whether to allow this is a policy decision for the Commission. Staff had some regulatory concerns with Mr. Kirtland's petition and therefore prepared "suggested language" in the event the Commission votes in favor of the proposal. This language was filed at the January 2002, Commission meeting. The alternative required a permanent location for the table and classes to be designated by the licensee.

At the February meeting, at Mr. Kirtland's request, staff submitted an amended alternative in which "table" was changed to "gambling equipment," as licensees may offer classes relating to gambling activities that do not take place at a table. Language was added to require the location designated by the licensee for the classes and equipment, *to be approved by the director*. Furthermore, two letters opposing Mr. Kirtland's petition were forwarded to the Commission and petitioner.



RULES FILED AT THE FEBRUARY MEETING AND UP FOR DISCUSSION AT THE MARCH MEETING.

DISTRIBUTOR - MANUFACTURER CREDIT ISSUES

WAC 230-12-340 Sale of gambling equipment, devices, supplies, paraphernalia, and related services - Credit prohibited - Exceptions.

WAC 230-12-330 Availability of gambling equipment and related products and services - Prices - Contracts - Discounts - Restrictions - Expectations.

WAC 230-30-106 Punch board and pull-tab flares restrictions -Standards - Substitute flares.

Currently, if a distributor is late making payments toward a trade account with a manufacturer, the manufacturer notifies agency field staff. Staff then sends letters to other manufacturers notifying them that any sales to such distributor are to be made on a cash basis only. Frequently, after the notice is sent, the delinquent account is immediately brought current. Staff then send another notice to manufacturers notifying them that sales to the distributor no longer need to be on a cash basis only. This process requires significant time and paperwork by staff, and does not enhance our regulatory process. The proposed amendment requires the manufacturer holding the delinquent account to make the notifications to other manufacturers, rather than staff. Manufacturers will still be required to make sales on a cash basis only to the delinquent distributor, until the account is brought current.

Currently, discounts are only allowed on a single transaction and cannot be given over a period of time. The proposed amendment would allow for special pricing transactions to be made over a period of seven consecutive days.

Finally, merchandise prizes are assigned winning numbers consecutively, starting with the highest value prize being assigned the lowest available winning number. Language was added to clarify that prizes shall be numbered consecutively, *in order of value*.

QUALIFICATION REVIEWS:

WAC 230-08-255 Bona fide charitable or nonprofit organizations - Significant progress required - Procedures - Exception.

WAC 230-04-064 Certification procedure - All new licenses - Formal commission approval.

Qualification reviews for Groups IV and V organizations are presented once a year, by staff, at monthly commission meetings. Because these organizations are presented every year, at times, organizations with pending administrative actions have come before the Commission for a review.

Staff will continue to perform reviews on these organizations each year; however, the proposed amendment would reduce formal Commission presentations from once a year, to once every three years. Secondly, organizations with pending administrative actions will not come before the commission for a qualification review until the action has been resolved. They would do so after the charges are resolved.

The qualification review procedures have been moved from WAC 230-04-064 to WAC 230-08-255. Now all requirements relating to charitable and nonprofit organizations making progress toward their stated purpose are contained in 230-08-255.

Upcoming Commission Meetings

April 11 & 12	The Heathman Lodge 7801 NE Greenwood Dr Vancouver, WA 98662	(360) 254-3100
May 9 & 10	West Coast Grand Hotel at the Park 303 W North River Dr Spokane, WA 99202	(509) 326-8000
June 13 & 14	LaConner Country Inn Meeting at Maple Hall (108 Commercial St) 107 S Second St LaConner, WA 98257	(360) 466-3101
July – No meeting		
August 8 & 9	Shilo Inns 707 Ocean Shores Blvd NW Ocean Shores, WA 98569-9593	(360) 289-4600
September 12 & 13	Tentatively Scheduled for Olympia	
October 10 & 11	Tentatively Scheduled for Spokane	
November 14 & 15	DoubleTree Guest Suites Southcenter 16500 Southcenter Parkway Seattle, WA 98199	(206) 575-8220
December – No meeting		

On the following pages are rules passed through the February Commission meeting. They become effective on the date listed on each rule. Please remove the rules and place into the appropriate section of your rules manual as required in WAC 230-12-080.

AMENDATORY SECTION**WAC 230-20-244 Electronic bingo card daubers--Definition--Operating restrictions--**

Standards. The commission deems that any device, apparatus, or scheme that allows a player in any gambling activity a material advantage over other players is against public policy and restriction of such is in the public's interest. Electronic bingo card marking devices or daubers are deemed to provide a player a material advantage unless operated in accordance with subsection (2) of this section. For purposes of this title, the following definitions, restrictions, and standards apply to such devices:

Definition.

(1) Electronic bingo card daubers are defined as electronic appliances used by players to identify bingo cards that contain numbers or symbols input by a player. These devices electronically store preprinted bingo cards purchased by a player, provide a means for players to input numbers or symbols called by the operator, compare the numbers or symbols input by the player to bingo cards previously stored in an electronic data base, and identify to the player those stored bingo cards that contain the numbers or symbols input by the player: Provided, That player-owned devices, which are not directly interfaced with or connected to equipment used to conduct bingo games or the electronic data base in which electronically generated bingo cards are stored in any manner, are not "electronic bingo card daubers" for purposes of this title;

Operating restrictions.

(2) Electronic bingo card daubers will not be deemed to provide players a material advantage and may be used by players in bingo games when operated in the following manner:

Player responsibilities.

(a) The player must perform at least the following functions:

(i) Input each number or symbol called by the operator into the memory of the dauber unit by use of a separate input function for each number symbol. Automatic or global marking of numbers or symbols is prohibited;

(ii) Notify the operator when a winning pattern or "bingo" occurs by means that do not utilize the dauber unit or the associated system; and

(iii) Identify the winning card and display the card to the operator;

Maximum number of cards to be played during each game.

(b) ~~((Each player using an electronic dauber is limited to playing a maximum of sixty-six cards with the assistance of an electronic dauber during any game;))~~ Each electronic dauber unit shall not allow a player to play more than sixty-six cards at one time.

(c) Each player shall not use more than one electronic dauber at any point in time. Provided, That a player can play an unlimited amount of disposable or hard bingo cards in addition to using one electronic dauber unit.

Reserving electronic bingo card daubers.

~~((e)))~~ (d) Operators shall not reserve electronic daubers for any player. An operator must devise and disclose to players a scheme for assignment of dauber units to players during each session. Such schemes shall allow all players an equal opportunity to utilize the available dauber units. If a drawing is used to assign dauber units to players, the operator shall ensure that each player participating in the drawing has an equal chance to win: Provided, That operators that offer electronic dauber units shall reserve at least one device for players with disabilities that would restrict their ability to mark cards and

such disabilities are consistent with definitions set forth in the Americans with Disabilities Act (ADA). If there are no requests for use of this unit prior to fifteen minutes before the scheduled start of the session, it may be made available for use by any players;

Fees.

~~((d))~~ (e) If operators charge players a fee for use of the electronic daubers, such fees must be a flat fee and shall not be based on the number or dollar value of cards purchased. ~~((Fees charged shall be treated as rental income and may be used to reduce any expenses of operating these devices for compliance with net income requirements.))~~ Rental fees shall be considered bingo receipts for purposes of WAC 230-12-020: Provided, That players with disabilities that would restrict their ability to mark cards and such disabilities are consistent with the ADA shall not be required to pay a rental fee or to comply with minimum purchase requirements imposed on all players utilizing electronic daubers. Such players are required to comply with any minimum purchase requirement imposed on all players by an operator;

Card requirements.

~~((e))~~ (f) Each player utilizing an electronic dauber must have in their possession cards that meet all requirements of WAC 230-20-240 and ~~((230-20-101(3)))~~ 230-20-106. Electronic images of cards or faces stored in such devices are for player convenience only and are not bingo cards for purposes of this title;

Leasing by an operator.

~~((f))~~ (g) If the electronic daubers are leased to an operator, the lease cannot be based in whole or part on the amount of bingo card sales or rental income derived from such devices; and

Discounts and marketing schemes.

~~((g))~~ (h) The use of electronic daubers is prohibited when a licensee utilizes any marketing scheme for cards that results in a decrease in the per unit price of each card as the number of cards purchased increases: Provided, That a single discount level is authorized for each type of card sold if:

- (i) The licensee has a minimum purchase requirement;
- (ii) The discount applies to all additional cards purchased; and
- (iii) "All you can play" schemes are prohibited;

Standards.

(3) Electronic bingo card daubers must meet the following standards:

- (a) Be manufactured by licensed manufacturers;
- (b) Be sold, leased, and serviced by licensed distributors or manufacturers: Provided, That operators may perform routine maintenance on devices under their control;
- (c) Not be capable of accessing the electronic computer system in any manner that would allow modification of the program which operates and controls the dauber units or the cards stored in the electronic data base; and
- (d) Be capable of complying with applicable requirements of WAC ~~((230-20-101(3)))~~ 230-20-106.

AMENDATORY SECTION

WAC 230-20-246 Manner of conducting bingo. In addition to all other requirements set forth in this Title, the following limitations and procedures shall be utilized for conducting bingo games:

Location of game.

(1) For purposes of this Title, a bingo game shall be deemed conducted at the premises at which cards are sold and winners are determined;

Cards to be sold on premises only.

(2) All sales of bingo cards shall take place upon the licensed premises during or immediately preceding the session for which the card is being sold;

Purchasing bingo cards.

(3) Bingo cards shall be sold and paid for prior to selection of the first symbol or number for a specified game or specified number of games: Provided, That cards may be sold after the start of a game, or number of games, if the late sale does not allow any player an advantage over any other player. Hard cards purchased or exchanged after the first symbol or number is selected may only be used during subsequent games. Any sales method that allows a player to select a specific disposable or throwaway card shall be deemed to allow the player an advantage;

Reserving cards not allowed - exception for braille.

(4) No operator shall reserve, or allow to be reserved, any bingo card for use by players: Provided, That braille cards or other cards for use by visually impaired or disabled players may be reserved. Visually impaired players may use their personal braille cards when a licensee does not provide such cards. The licensee shall have the right to inspect, and to reject, any personal braille card. A visually impaired or disabled person may use a braille card or reserved hard card in place of a purchased throwaway;

Price and appearance of cards.

(5) All cards sold to participate for a specific prize or set of prizes shall be sold for the same price and be distinct and readily distinguished from all other cards in play: Provided, That similar cards used to participate for the same prize or set of prizes may be sold at a discount which is based solely on volume if each separate discount price is recorded using a separate sales identification code and records provide for an audit trail;

Number/symbols to be selected on premises.

(6) All symbols or numbers shall be selected on the premises and in the presence of players paying to participate in the game. Immediately following the drawing of each ball in a bingo game, the caller shall display the symbol or number on the ball to the participants: Provided, That this subsection does not apply to games being played for a linked bingo prize, as long as the drawing of the balls can be viewed by all participants;

Calling the number/symbol.

(7) The symbol or number on the ball shall be called out prior to the drawing of any other ball;

Posting number/symbol on flashboard.

(8) After the symbol or number is called, the corresponding symbol or number on the licensee's flashboard, if any, shall be lit for participant viewing. In a game where a symbol or number on the ball

is not applicable to the game being played, it is not necessary to call that symbol or number to the participants before placing it for viewing on the flashboard;

Determining winners.

(9) A game ends when a specific pattern has been achieved by a player or a specific number of symbols or numbers has been called. Each game shall be played using a separate selection process: Provided, That the same or a continuing selection process may be used to play the following games:

(a) Interim or "on-the-way" games, including "instant winner" games in which winners are determined by matching a predetermined number of symbols or numbers to balls called, or by matching a predetermined pattern within an established number of calls;

(b) Games for which cards are sold for different prices and players win a different prize depending on the price they pay to play; and

(c) Bonus games which are games played concurrently with other bingo games and the winner is determined by a player calling a valid bingo which includes a predetermined or preselected number or symbol;

Prizes available.

(10) No bingo game shall be conducted to include a prize determined other than by the matching of symbols or numbers on a bingo card with symbols or numbers called by the licensee, except as authorized by WAC 230-20-242. All persons who have paid to participate in the game are competing for a specific prize or a portion of a prize pool.

Multiple winners.

(11) If a prize pool has been designated and more than one player achieves a winning pattern at the same time, all such players shall be considered the winner and a portion of the prize pool shall be equally divided among all players achieving the same winning pattern;

Establishing prizes.

~~((41))~~ (12) The minimum amount of an individual prize, prize pool, or portion of a prize pool available for each bingo game shall be established and disclosed to bingo game players prior to their purchase of a chance to participate in a bingo game. The minimum prize may be increased by the gambling manager before the start of a game or through the following schemes during the game:

(a) Schemes using standard bingo equipment and cards such as:

(i) Number of symbols or numbers called before a player achieving a winning combination;

(ii) The specific symbol or number called;

(iii) The specific letter called;

(iv) Position of winning combinations on the card;

(v) Position of the card on the sheet of cards;

(vi) Odd or even symbol or numbers; and

(vii) The number of symbols or numbers matched within a specific number of calls;

(b) Schemes preprinted on disposable cards that rely on a number or symbol called during a game; or

(c) Second element of chance schemes authorized by WAC 230-20-242(4).

Winner verification.

~~((42))~~ (13) Immediately upon a bingo player declaring a winning combination of symbols or numbers, the winning card shall be verified using one of the three methods listed below:

(a) The card or electronic dauber card image is inspected by ((a game)) an employee of the bingo operation and at least one neutral player((:));

~~((Provided, That))~~ (b) The card or electronic dauber card image is verified by an employee of the bingo licensee. The bingo licensee's employee must immediately enter the bingo card number into an electronic verifier and broadcast the winning card on video screen(s) for all players to view. If this method is used, any player can request to see the actual winning card and must be given the opportunity to do so;

(c) Games played as "instant winners" and awarding fifty dollars or less do not need to be verified by a neutral player if an audit trail is maintained including a method which identifies the winning combination of numbers, symbols, or patterns and the numbers, symbols, or patterns called~~((;))~~.

Additional ball to be called.

~~((13))~~ (14) Upon a bingo player declaring a winning bingo, the next ball out of the machine shall be removed from the machine prior to shutting the machine off and shall be the next ball to be called in the event the declared winning bingo is not valid;

Awarding prizes.

~~((14))~~ (15) After a winning bingo is validated, the prize shall be awarded using the following procedures:

(a) Each winner shall be required to provide proof that they have purchased the winning bingo card. The licensee shall review the prize winner's income receipt and determine that the player has properly purchased all cards played during the games, including the winning card;

(b) Each prize winner shall be positively identified. The licensee shall require such proof of identification as is necessary to establish the prize winner's identity prior to paying any prize. The winner is responsible for furnishing proof to the licensee that all information required by this rule is true and accurate. Prizes may be withheld until the winner has provided adequate identification;

(c) The prize shall be awarded and a record made by completing a prize receipt as required by WAC 230-08-080 and 230-20-102. A complete address and tax payer identification number should be recorded for each prize valued at \$1,200 or more;

(d) All prizes for a particular game must be available prior to starting the game and shall be awarded by the end of the related session: Provided, That linked main and bonus prizes must be paid within forty-eight hours;

(e) All merchandise offered as prizes to bingo players shall have been paid in full, without lien or interest of others, prior to the merchandise being offered as a prize: Provided, That the licensee may enter into a contract to immediately purchase the merchandise when it is awarded as a prize, with the contract revocable if prize winners are allowed to exercise an option to receive a cash prize or the prize is no longer offered; and

Games shall be run fairly.

~~((15))~~ (16) No operator shall engage in any act, practice, or course of operation as would operate as a fraud to affect the outcome of any bingo game.

AMENDATORY SECTION**WAC 230-20-249 Three number speed bingo--Operational procedures--Restrictions.**

Licensees may play "speed bingo" if the conditions set forth in this section are followed:

Definition.

- (1) For purposes of this section, "three number speed bingo" is defined as a bingo game that:
 - (a) Is played using a reduced number of balls and special cards with less than twenty-five spaces;
 - (b) The rate of calling numbers is faster than normal;
 - (c) The price to play includes an "ante," which is retained by the licensee, and a wager that begins at three units and decreases by one for each number covered on a player's card; ~~((and))~~
 - (d) Players compete against all other players for a pool of prizes that varies according to the numbers covered by players during the game;
 - (e) An "ante" is the fee retained by the licensee which allows a patron to play speed bingo; and
 - (f) A wager is the total dollar value of chips used to cover the numbers on a player's card;

Restrictions.

- (2) The following restrictions apply to speed bingo:
 - (a) The price to play speed bingo, including wagers, shall not exceed ~~((two))~~ seven dollars per card, per game;
 - (b) The price to play shall be the same for each card;
 - (c) The licensee shall not retain any part of players' wagers and all wagers not covering a called number on a player's card shall be paid to winners. If there is more than one winner, wagers shall be equally split among all winners: Provided, That licensees may develop a scheme for splitting odd numbers of chips between winners; ~~((and))~~
 - (d) Gross gambling receipts for speed bingo shall be only the amount of fees collected from players for tickets to participate and excludes wagers and prizes paid to players~~((;-))~~;
 - (e) A progressive jackpot or accrued prize fund is authorized if:
 - (i) Requirements of WAC 230-20-102(7) are followed; and
 - (ii) The prize fund or jackpot is funded solely from the "ante" collected by the licensee;

Rules of play.

- (3) Speed bingo shall be played as follows:
 - (a) The game shall be played using thirty numbered balls, with numbers one through seventy-five available for use;
 - (b) Special cards that have three spaces imprinted with numbers that correspond to the numbers on the balls utilized for play;
 - (c) The licensee may elect to collect fees by charging a set amount for each card for the entire session or an amount per card for each game;

Additional ticket receipting requirements.

- (d) The ticket receipting method set forth in WAC 230-20-105 shall be used to receipt for income received to play games. In addition, the following requirements shall be met:
 - (i) All tickets sold and collected must be canceled by stamping the calendar date on the ticket at the time of sale or permanently defacing the tickets when collected;
 - (ii) All tickets sold for per session fees shall be accounted for using the combination receipting method set forth in WAC 230-20-108;
 - (iii) Tickets sold and collected from players shall be reconciled to cash for each session;

Wager limits.

(e) Wagers shall be made and prizes paid using wagering chips. Wagers may be valued at any price as long as the total value of wagers and fees does not exceed ~~((two))~~ seven dollars per card, per game. ~~((The requirements of WAC 230-40-070 shall be followed for wagering chips and banking services.))~~ For licensees charging a flat fee per session to participate, the fee per game shall be determined by dividing the fee per session by the minimum number of games to be played;

Standards for chips.

(f) The bingo licensee shall furnish all chips in connection with the bingo game conducted on its premises. All chips shall be of generally conventional size and design, and include safeguards that maximize the integrity of the bingo games. The licensee shall furnish chips that meet the following standards:

- (i) The bingo licensee's logo or name;
- (ii) The chip value clearly denoted;
- (iii) Be produced by a licensed manufacturer; and
- (iv) Be purchased from a licensed manufacturer or distributor;

Bank services.

(g) The licensee shall sell its chips to all players desiring to buy them and redeem all chips for the value for which they were sold. The licensee shall collect the money taken in on chips sold and fees collected and shall keep these funds separate and apart from all other money received by the licensee;

Player to pay with ticket.

~~((f))~~ (h) Each player pays the licensee one ticket for each bingo card played for each game: Provided, That when the licensee charges a per session fee, the player's ticket and cash register receipt must remain visible and on the table at all times during the game;

Player's beginning wager.

~~((g))~~ (i) Each player's beginning wager is three chips for each bingo card played during any single game. A player must have three chips for each card being played prior to the beginning of the game;

Wagering during the game and winner verification.

~~((h))~~ (j) During play of the game, players place a wagering chip on each number on their cards that is matched with called numbers. Once a wagering chip is used to cover a valid number, it is retained by the player and no longer available to be won by the game winner(s). Wagering chips must remain on the number on the card until all losing wagers are collected from players by the licensee. The bingo worker collecting wagers must verify that covered numbers are valid;

~~((i))~~ (k) The first player to cover all three numbers on any card is the winner;

~~((j))~~ (l) After the winning card is verified, all unprotected chips are collected from all players and paid to the winner((-));

Rules not applicable to speed bingo.

(4) The following WAC sections are not applicable to speed bingo:

(a) WAC 230-20-010 (1)(b) requiring all prizes available to be disclosed to players prior to their paying to participate: Provided, That licensees shall disclose the per-card cost to play and the amount of wagers required to play a single card;

(b) WAC 230-20-240(2) requiring that seventy-five balls, numbered one through seventy-five, be used to conduct games;

- (c) WAC 230-20-240 (4)(a) requiring bingo cards to have twenty-five spaces;
- (d) WAC 230-20-240(5) requiring Class F and above licensees to use disposable or electronically-generated bingo cards;
- (e) WAC 230-20-101 regarding the ticket receipting method;
- (f) WAC 230-20-246(6) requiring the symbol or number to be displayed to players: Provided, That the symbol or number must be displayed by use of a flashboard required by WAC 230-20-240(3) and the flashboard and audio system shall be fully functional; and
- (g) WAC 230-08-080(2) and 230-20-102 regarding records for prizes awarded.

AMENDATORY SECTION

WAC 230-30-033 Event pull-tab series--Definitions--Restrictions. Charitable or nonprofit bingo operators may use event pull-tab series under the following definitions and restrictions.

Definitions.

(1) The following definitions apply to this section:

(a) "Event pull-tab series" means a pull-tab series that includes a predetermined number of pull-tabs which allow a player to advance to an event round;

(b) "Event round" means a secondary element of chance where the prizes are determined based on pull-tabs which match specific winning numbers drawn in a bingo game. The winning numbers must fall within numbers 1 through 75.

Manufacturing restrictions.

(2) The following manufacturing restrictions apply to this section:

(a) An event pull-tab series shall be manufactured meeting all standards of construction included in WAC 230-30-103;

(b) An event pull-tab series may include instant winning prizes in addition to event round prizes;

(c) The flare shall clearly set out the following:

(i) All prizes available, in accordance with WAC 230-30-106;

(ii) The number of chances available to advance to the event round;

(iii) How the event round winner is to be determined; and

(iv) The number of winning pull-tabs at the instant winner level, and the number of winning pull-tabs at the event round level.

Operational restrictions.

(3)(a) The event pull-tab series must be played in a charitable or nonprofit bingo hall and must be played and completed within one bingo session;

(b) Prior to putting an event pull-tab series into play, the operator must fully disclose, in plain view, when the event round (which involves the second element of chance) will take place;

(c) Event pull-tab series must be available for purchase until immediately prior to the event round, unless the game has been completely sold out;

(d) A licensed manager must be present at all times an event pull-tab series is in play, including sales of tickets and selection of winners;

(e) Event pull-tab tickets may be sold by floor workers (for example, from aprons). This method of selling pull-tabs only applies to an event pull-tab series. Detailed accounting records shall be maintained as prescribed by commission staff to track the event pull-tab tickets issued to each floor worker.

(f) The following are prohibited for use with event pull-tab series:

(i) Substitute flares;

(ii) Bonus pull-tab series; and

(iii) Carry-over jackpots.

AMENDATORY SECTION

WAC 230-30-045 ((Pull-tab series with)) Carry-over jackpot(s) pull-tab series--
Definitions--Requirements. Operators may utilize pull-tab series that are specifically designed to include carry-over jackpots. The following definitions and requirements shall apply to these series:

Definitions.

(1) The following definitions ((which)) apply to pull-tab series with carry-over jackpots:

(a) "Carry-over jackpot" means a prize pool that is composed of accumulated contribution amounts from pull-tab series which, if not won, are carried over to other pull-tab series;

(b) "Contribution amount" means the amount from each series which is added to the carry-over jackpot; and

(c) "Guaranteed prizes" means all prizes available to be won, excluding the contribution amount or carry-over jackpot;

Prize payout requirements.

(2) The following requirements apply to prizes and prize payout calculations for carry-over jackpots ((prizes and prize payout calculations)):

(a) Guaranteed prizes must be 60% or more of gross receipts available from the pull-tab series;

(b) The contribution amount for each series may not be more than five hundred dollars;

(c) The contribution amount and the method of play shall be determined by the manufacturer and disclosed on the flare;

Maximum jackpot amount.

(d) At no time shall an accumulated carry-over jackpot exceed two thousand dollars. ((Once it reaches this amount, the two thousand dollars)) If the carry-over jackpot is awarded, the sum of the advance-level prize and the carry-over jackpot prize shall not exceed two thousand dollars.

Jackpot must be carried over until won.

(e) Accumulated carry-over jackpots shall be carried over to subsequent series until won; ((and))

Jackpot must be paid out.

((e)) (f) The carry-over jackpot must be awarded. Failure to have sufficient funds available, or any attempt by an operator to utilize carry-over jackpots for personal or organizational purposes, shall be prima facie evidence of defrauding the players in violation of RCW 9.46.190;

Maximum prize amounts for series when jackpots are not awarded.

((f) If the jackpot is awarded, the sum of the advance-level prize and the jackpot prize shall not exceed two thousand dollars.)) (g) If the jackpot is not awarded and is carried over to a new series, the sum of the advance-level prize and the consolation prize shall not exceed five hundred dollars;

Distribution of jackpots when a licensee ceases to operate.

(3) If a licensee ceases to operate gambling activities due to a sale, closure, or failure to maintain a valid gambling license, the carry-over jackpot shall be:

(a) Transferred to the new licensee, which has a valid gambling license. The new licensee shall operate the carry-over jackpot game until the prize is awarded;

(b) Awarded to a player by playing out the game prior to closure;

(c) Distributed to the Washington state council on problem gambling; or

(d) Distributed to a charitable or nonprofit organization licensed by the Washington state gambling commission;

Bonus pull-tab series.

(4) The following additional requirements apply to bonus pull-tab series with carry-over jackpots:

~~((a))~~ ~~((If bonus pull-tab series are used:~~

~~((i)))~~ The odds of winning the carry-over jackpot shall not exceed one winner out of ten chances, or the probability of winning the carry-over jackpot shall be .10 or higher, at the jackpot level;

~~((ii)))~~ ~~((b))~~ There may only be one advance level on the flare;

~~((iii)))~~ ~~((c))~~ There shall be at least one guaranteed chance to win the carry-over jackpot;

~~((iv)))~~ ~~((d))~~ All chances that are included on the flare shall be covered in a manner that prevents determination of the concealed numbers or symbols prior to being opened by the player. If perforated windows are used, the numbers or symbols must be covered by latex, foil, or other approved means; and

~~((v)))~~ ~~((e))~~ Standards for bonus pull-tab flares, as set forth in WAC 230-30-106, shall apply;

Maximum number of tickets.

~~((b)))~~ (5) The maximum ticket count for pull-tab series with carry-over jackpots shall be six thousand tickets; ~~((and))~~

Secondary win codes.

~~((c)))~~ (6) The secondary win codes on pull-tab series with carry-over jackpots must not repeat within a three-year period;

~~((4))~~ ~~The following operating and recordkeeping requirements apply to pull-tab series with carry-over jackpots:~~

~~((a))~~ ~~If the chances of winning the carry-over jackpot are obtained and the carry-over jackpot is not won, the series shall be removed from play within seven operating days;~~

~~((b)))~~

Replacing series.

(7) Once it has been determined that no chances to win the carry-over jackpot remain in a series and the jackpot has not been won, the series shall be removed from play and replaced with a new series within seven operating days;

Transferring a jackpot to another game.

(8) If a carry-over jackpot is not won prior to removing a series from play, it shall be carried over to a new series within one operating day from when the series was removed from play. The accrued contribution amounts from all previous series shall be added to the contribution amount from the new series, up to two thousand dollars;

~~((c))~~ ~~The following additional records must be maintained for pull-tab series with carry-over jackpots:))~~

Recording names of winners.

~~((i)))~~ (9) For carry-over jackpots in the amount of six hundred dollars and over, the winner's full name, address, and Social Security number shall be recorded on a separate form for income tax purposes;

Retention requirements.

~~((ii)))~~ (10) Each pull-tab series contributing to a specific carry-over jackpot must be retained as one series. The retention period for these series shall be as required by WAC 230-30-072(3): Provided, That the retention period shall start on the last day of the month in which the carry-over jackpot was awarded rather than when the series was removed from play; and

Documenting the flow of jackpots.

~~((iii))~~ (11) Operators are required to maintain a separate record documenting the flow of carry-over jackpots from one game to another in a format prescribed by the commission;

Recordkeeping on cash basis only - exception.

~~((d))~~ (12) For the purposes of monthly records set forth in WAC 230-08-010, all operators shall record carry-over jackpots on a cash basis. This means that carry-over jackpot contribution amounts shall not be recorded on monthly records until the prize is awarded: Provided, That punch board/pull-tab licensees who also hold a Class F or above bingo license may accrue carry-over jackpot contribution amounts on their monthly records if the following conditions are met:

~~((i))~~ (a) Prior approval is received from the director;

~~((ii))~~ (b) The contribution amounts, up to the point where the jackpot reaches the maximum, shall be recorded as prizes paid on the monthly records;

~~((iii))~~ (c) When the jackpot is awarded, only amounts not previously accrued, if any, shall be recorded as a prize paid;

~~((iv))~~ (d) No more than five carry-over jackpot series shall be in play at once; and

~~((v))~~ (e) If the contribution amount is not deposited with the net receipts (required by WAC 230-12-020), a proper audit trail and adequate security over the funds must be maintained; and

Director approval required.

~~((5))~~ (13) The director shall approve the following aspects of all pull-tab games with carry-over jackpots prior to sale in Washington state:

(a) The design, payout, method of play, and flare for each pull-tab series;

(b) The manufacturing process for the pull-tab series and flares; and

(c) The secondary win code system for the pull-tab series.

AMENDATORY SECTION

WAC 230-30-072 ((~~Punch board and pull-tab~~)) Inventory control for punch boards and pull-tabs--Retention requirements--Audit adjustments. Each punch board and pull-tab series purchased or otherwise obtained by an operator shall be controlled and accounted for. Each operator shall closely monitor punch board and pull-tab series purchased to assure that Washington state identification and inspection service stamp numbers are correctly entered in all records and each device purchased is properly recorded. The following control procedures apply:

Delivery of new games.

- (1) The delivery/receipt of punch boards and pull-tab series shall be recorded as follows:

Invoice record.

(a) All purchases of punch boards or pull-tab series shall be recorded on a standard distributor's invoice, which will be used by the operator as a record to account for the punch board or pull-tab series between the time it is purchased and removed from play. Each invoice shall include space for the operator to attach the records entry label from the device and the date the device was placed out for play: Provided, That in lieu of the distributor's invoice recording system, licensees utilizing a computerized recordkeeping system may use a separate inventory record to account for purchases and uses of punch boards and pull-tabs as long as all necessary information is recorded. For these records, a computer generated facsimile of the stamp number may be imprinted on the inventory record in lieu of a records entry label.

Operator to review data and check ID stamps.

(b) At the time a punch board or pull-tab series is delivered, each operator will assure that all required data is correctly recorded by the distributor by comparing the actual Washington state identification and inspection services stamp number attached to each punch board and pull-tab series to the number recorded on the purchase invoice;

Invoice/inventory record - placing new games into play.

(2) At the time a punch board or pull-tab series is placed into play, each operator shall record in the allotted space on the distributor's invoice or the inventory record the following:

- (a) Date placed into play; and
- (b) Washington state identification and inspection services stamp number by attaching a records entry label.

Retention requirements.

(3) Each punch board or pull-tab series which is removed from play, together with the prize flare, all unplayed tabs, and all winning punches or tabs, shall be retained by the operator and made available for inspection, on the licensed premises, by commission agents and/or local law enforcement and taxing agencies. If devices are stored off premises, they must be produced for inspection upon demand. The minimum retention time for devices removed from play shall be:

Charitable.

(a) **Charitable or nonprofit licensees** - at least four months following the last day of the month in which the device was removed from play;

Commercial.

(b) **Commercial stimulant licensees** - at least two months following the last day of the month in which the device was removed from play: Provided, That the flare and all winning punches or pull-tabs

in excess of twenty dollars shall be retained for at least ninety days following the day the device was removed from play: Provided further, That any commercial stimulant licensee who fails to comply with all recordkeeping requirements of this title or who misstates gross gambling receipts by more than one percent during any calendar quarter shall be required, after written notification by the director, to retain all devices for at least four months following the last day of the month in which it was removed from play. Any licensee so restricted may petition the director to remove the increased retention requirement imposed after a minimum of one year. Any such petition shall include documentation of the steps taken to correct recordkeeping deficiencies. For purposes of computing gross gambling receipts for determining compliance with the recording accuracy requirement, the procedures in subsection (6) of this section apply; and

Specially authorized games.

(c) **Specially authorized pull-tab series** may have retention requirements in addition to those set forth in subsections (a) and (b) of this ~~((subsection, additional retention requirements may apply to specially authorized pull-tab series;))~~ section.

Storage requirements.

(4) Each punch board or pull-tab series which is not placed out for play ~~((or returned to the distributor or manufacturer from whom it was originally purchased,))~~ must be retained on the licensed premises and made available for inspection by the commission and/or local law enforcement and taxing agencies: Provided, That devices may be stored off premises if they are produced for inspection upon demand;

Returning a game to the distributor or manufacturer.

(5) Each punch board or pull-tab series which has been placed out for play and is subsequently returned to a distributor or manufacturer is exempt from the retention requirements in subsection (3) of this section. The operator must retain a copy of the quality control report for the retention period normally applicable and must record each game on its monthly record required by WAC 230-08-010. If a device is returned to a distributor for any reason, including commission required recall, the operator shall record the date, invoice or credit memo number, and "returned" on the original purchase invoice or inventory record on the corresponding entry for the device;

Adjusting gross gambling receipts.

(6) For purposes of compliance with the requirements of this section and license class compliance, gross gambling receipts from the operation of punch boards and pull-tabs shall be adjusted for commission staff audit findings by using the following procedures:

(a) **Unrecorded devices** - gross gambling receipts shall be increased to account for any unrecorded devices purchased by an operator by adding the maximum amount that could be generated from the device, as determined by multiplying the total number of chances available by the price of a single chance. The adjustment shall be made to the records for the month in which the device was purchased; and

(b) **Recording errors** - gross gambling receipts shall be increased or decreased by an adjustment factor that is based upon the results of an audit of a sample of at least five devices randomly selected by the commission staff. The adjustment factor shall be determined by dividing the audited amount for the sample group of devices by the recorded amount for the same devices. The resulting product of this equation shall be applied to the total recorded gross gambling receipts for the calendar quarter from which the sample was taken and to the immediately preceding three quarters.

Gamblers Anonymous Meetings/Contacts for Washington State
GA statewide toll-free number: 1-877-727-5050

Bellingham: Wednesday – 12:00pm, The Recovery House, 1209 Girard St.; (360) 756-6103 (Larry)
Everett*: Thursday - 8:00pm, Evergreen Fellowship Hall, 1906 Grand Ave.; (425) 252-9155 (Dennis)
Federal Way: Tuesday – 11:30am, All Saints Lutheran Church, 27225 Military Rd. S., (253) 946-4156 (Richard)
Lakewood: Tuesday – 7:00pm, 5944 Lakegrove Rd.; (253) 583-0484 (Tom)
Longview: **Thursday** - 7:00pm, Robert Gray Baptist Church, 2448 NE 46th Avenue; (360) 414-5815 (Ralph)
Mount Vernon: Monday - 7:00pm, Skagit Valley Hospital (Conf. Room Bldg. west of Hosp.), 1415 E. Kincaid
(360) 848-9205 (Jack) – (open to supporting family/friends)
Olympia: Saturday - 10:00am, The United Churches, 110 E. 11th Ave. (11th Ave. at Capitol Way), enter rear parking lot;
(360) 943-0156 (Ed) or 754-7313 (Bill) **(call between 9am and 9pm)**
Omak: Tuesday and Friday – 7:00pm, Cornerstone Fellowship, (509) 422-0361 (Reece) or (509) 322-3957 (Bob)
Pacific/Kent: Sunday – 6:30pm, New Hope Lutheran Church, 603 – 3rd Ave. SE; (253) 804-6554 (Barbara)
Port Angeles/Sequim: call (360) 457-8715 (Sig) or 457-8951 (Jay)
Poulsbo: Tuesday - 7:00pm, Suquamish Tribal Center on Sandy Hook Road, (360) 297-7111 (Dennis)
Puyallup: Saturday - 8:30am, Good Samaritan Hospital, 407 - 14th Ave., Room 115/Educ. Bldg.,
(425) 277-4017 (Alex) or (253) 833-6288 (Ed)
Redmond*: Tuesday – 7:30pm, Washington Cathedral, 12300 Woodinville/Redmond Road NE; (425) 742-7299 (Rick)
Renton*: Wednesday - 7:30pm, Valley Medical Center, 1st floor/Medical Arts Bldg./Classroom D, 400 S. 43rd St.;
(only open meeting is 2nd Wednesday of the month - all other meetings are closed); Friday - 8:00pm,
auditorium of Good Neighbor Center, 305 S. 43rd (across from Valley-open meetings) (4th meeting of the month
at VMC, Classroom C); (425) 277-4017 (Alex)
Richmond Beach/Edmonds: Sunday - 6:30pm, First Lutheran Church of Richmond Beach, 18354 - 8th Ave. NW (Step
mtg. 3rd Sunday of month/open to supporting family/friends)
Seattle*: Tuesday - 8:00pm, Woodland Park Presbyterian Church, 225 N. 70th St. (Corner of Greenwood);
(206) 524-5282 (Paul)
Spokane*: Monday - 7:00pm*, Wednesday - 7:00pm, Thursday – 7:00pm and Saturday – 9:00am, Center Pointe,
1408 N. Washington; **(non smoking/closed meeting);** Sunday - 7:00pm **(non-smoking),** All Step North, 4903 N.
Market; Wednesday – 12:00pm and Friday – 12:00pm, Valley Medical Center/Occupational Med. Bldg./Group
Room, 12606 E. Mission; contacts: Gene (509) 328-2276; Tom (509) 489-3587; Darryl (509) 468-5005; Terry
(509) 327-8211; Diane (509) 624-4133
Tacoma*: Monday - 7:45pm and Thursday - 7:30pm, First Congregational Church, 209 S. J. St. (downstairs), (step
meeting last mtg. of month)
Tri-Cities: Sunday - 6:30pm, Central United Protestant Church, 1124 Stevens Dr./room 301 (SE corner of Williams and
Stevens), Richland; (509) 627-0257 (Karla) – (open to supporting family/friends)
Vancouver*: Wednesday - 7:30pm and Friday - 8:00pm, St. Luke's Episcopal Church, 426 E. 4th Plain Blvd.;
(360) 696-4279 (Hal)
Wenatchee: Contact: (509) 662-6507 (Ralph) or (509) 667-3862/pager
Yakima: Thursday - 7:30pm, Englewood Christian Church, 511 N. 44th Ave. (509) 248-2065 (Harold)

If you have a distance to drive, call to confirm meeting time and location.

*Inquire with individual groups regarding Gam-Anon Meetings.



Operational Questions / Regional Offices

Lynnwood (425) 776-6751
Bellingham (360) 738-6203

Tacoma (253) 471-5312
Yakima (509) 575-2820

Spokane (509) 456-3167
Wenatchee (509) 662-0435

Headquarters

Lacey (800) 345-2529 or (360) 486-3440

Administration	3447	Administrative Charges & Cases	3465
Media Questions	3466/3463	Tribal Negotiations (Class III)	3449/3468
License Application Requests	3440	Tribal Implementations (Class III)	3587
Status of License Application (General)	3440	Problem Gambling	3467
Pre-License Financial Investigation	3555	Rule Changes	3466
(Commercial, Nonprofit, Suppliers, Mfg, Class III)		Commission Meeting Agenda	3447
Mandatory Training Schedule	3440	Activity Report Annual/Quarterly	3474
Public Disclosure Requests	3529	Record Keeping Forms	3440
Newsletter	3467	ID Stamps/Business Operation Office	3489
Unlicensed Raffles	3466/3467	Human Resources (Personnel)	3457
Business Promotional Contest of Chance	3466/3467	Regulatory Questions/Field Operations	*

*** Call the closest regional office listed above**

Washington State Council on Problem Gambling
(800) 547-6133

WASHINGTON STATE GAMBLING COMMISSION

Mailing Address:
P.O. Box 42400
Olympia, WA 98504-2400

Location:
4565 7th Avenue SE
Lacey, WA 98503

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TDD: (360) 486-3637

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